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FRA's Conrail Merger 'Blitz' Surveillance for Split Date
May 17 thru July 11, 1999

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Operations/Safety Challenge

The operations/safety challenge associated with the CSX/NS acquisition of Conrail properties addressed in this action plan is a two-fold issue. First there is a need for the installation of a process to evaluate baseline operating conditions prior to, during the early stages of operations after Split Date or DAY One (D1), and, thereafter, to ensure that accurate information is available to assess the proficiency of the merger process from a safety perspective, i. e. sufficiently trained train and engine crew members, fatigue management, compliance with operating rules, dispatching, proper handling of hazmat loads, etc. Secondly, the established process should evaluate car, locomotive and/or train movements to provide advance identification of problems arising from traffic congestion on new service lanes. The process should be capable of evaluating both East and West-bound traffic through major Conrail gateways.

FRA Oversight Plan and Personnel Requirements

Because operations on Day One will be closely evaluated by the acquiring roads little problems are expected. It is, therefore, recommended that FRA maintain its current role of oversight through normal inspections at the various yards and terminals. One additional person should provide national oversight at the “Blue Room” in Philadelphia. The “Blue Room” will serve as a temporary crisis identification/command center during the transition and address issue related to the acquisition other than those addressed here (e.g. crew calling and power requirements).

This will also enable FRA to obtain important information on this historic event for future reference. The expenditure of resources would be best used several days or weeks after the acquisition as resources expended by the roads are recalled for other normal functions. This time frame provides the greatest opportunity for problems to arise. The following table outlines resource requirements, the locations, and time frames anticipated to ensure a smooth and trouble free transition.

Oversight Area	Locations	Time Frame	Personnel
<u>Customer Service Centers</u> CSAO - Ray McCarthy CSX Jack Piatak NS - Larry Estep	Pittsburgh, PA (CSAO) Jacksonville, FL (CSX) Atlanta, GA (NS)	Spots checks during period May 17 - July 11 and thereafter	One (1) Inspector assigned at each location

<u>CR Operations Center & Blue Room</u> Michael Logue, Ron Newman, Brian Hontz and Ron Lutton	Philadelphia, PA	May 17 - July 11	Spot checks as required
<u>Interchange Points</u> Team Leaders will insure inspections	Chicago, IL St. Louis, MO New Orleans, LA Memphis, TN (NS Intermodal) Kansas City, KS Buffalo, NY (Trans-border)	Normal Inspections	No additional above current levels
<u>Shared Asset Areas</u> Brian Hontz Team (Primary)	N. Jersey - Oak Island Yard Philadelphia - Pavonia Yard Detroit - North Yard	Normal Inspections	No additional above current levels

In addition, personnel in FRA's Washington headquarters will review car status reports on the acquiring roads as well as on Union Pacific Railroad and the Burlington Northern and Santa Fe for abnormalities. Any identified abnormality will be handled through one or more of the individuals identified in the beginning of the action plan and may result in addition oversight by FRA.

Periods of Heightened Surveillance

Due to the gradual ramp-up of changed operating conditions/traffic flows, it is expected that significant changes will not be evident until some elapsed time past D1, split date. Therefore, to have a reasonably significant period for baseline measurement and sampled period thereafter, the following periods of 'enhanced' surveillance will be performed:

May 17-23 - Measurement baseline period

May 28 - June 11 - Integration transitional state

July 5-11 - Steady state cross-check

The heightened FRA surveillance conducted by SIP/Safety Team members will be conducted during the above noted time intervals.

Special Note: Each Team Leader is responsible for actions of inspectors taken in their individual

Regions. Each Team Leader/Deputy Regional Administrator will receive reports from team members in his region and forward them to the other Team Leaders. Each Team Leader in turn will develop an oversight report for the assigned railroad and forward that report to **Ron Newman, the Office of Safety's Director Surveillance and Point Person for the Conrail merger (Phone: 202-493-6241)**. Assignments are as follows: Chicago Gateway - David Blackmore, CSAO - Brian Hontz, CSX - Chris Clune, NS - Ron Lutton. Messrs. Blackmore, Clune, Hontz and Lutton will serve as contact points for their respective railroads.

Contacts

During the D1 split date period, it will be necessary to maintain contacts with appropriate railroad officials to gather information that enables accurate determinations. The tables below identify key individuals who are capable of providing immediate information to FRA.

Chicago Gateway Team

* - Indicates that Team member will conduct STB Condition audits

Name	Location	Reason	Contact Numbers
David Blackmore- Team Leader	Chicago, IL	Oversee Team members and be available to assist them; relay flare items to FRA Headquarters	(312) 353-6203
Dennis Van Horn	Indianapolis, IN	Monitor Conrail Dispatching Center	
*Jeff Barber	Fort Wayne, IN	Monitor NS Dispatching Center	
Don DeCamp	Decatur, IL	Monitor NS Dispatching Center	
*Pat Graham *Jeff Leaman *William Bradley *Gerald Stout	NS, CSX, CR, IHB, BRC, BNSF, UP, CP, WC Chicago, IL	Monitor operations throughout the Chicago switching terminal	
Steve Drassler	Galesburg, IL	Spot check BNSF operations	
*Alan Hallstrom	Elkhart, IN	Monitor yard operations	

NS SIP Team Surveillance

* - Indicates that Team member will conduct STB Condition audits

Name	Location	Reason	Contact Number(s)
Ron Lutton - Team Leader	Philadelphia, PA	Oversee Team members and be available to assist them; relay flare items to FRA Headquarters	(610) 521-8200
*Ken Werres	Greentree and Conway Yard, PA; Pittsburgh Division Dispatching Center	Conway Yard is major classification yard on the Conrail System; monitor train traffic and potential crew problems	
Pete Domery	Avon Yard, Indianapolis, IN	Monitor train traffic coming from West to East	
John Reynolds	Philadelphia, Pa (part of Shared Assets Team); Mt. Laurel Dispatch Center	Stationed to observe sensitive operations in and around Philadelphia	
Mike Ziolkowski	CR's Frontier Yard and the NS Yard at Buffalo, NY	Monitor train traffic at northern end of the region; monitor both originating and ending traffic (Shared Assets needs to place Scott Beckett here also - anticipate crew difficulties)	
*Bill Richter	Belvue, OH Intermodal terminals at Cincinnati or Columbus, OH	Monitor train traffic as it enters the eastern part of the Northern Region	
*Ed Scalzitti	Cleveland, OH	Rotate in and around the Cleveland area to monitor interchange traffic and train operations on the 'Short Line'	
Jimmy Pavucsko	Yards in and around Harrisburg, PA; Enola and Harrisburg Yards	Monitor train traffic from the West to East and South to North	
Randy Jackson	Harrisburg Dispatch Center and Northern Region Headquarters	Monitor train traffic and problem areas arising from the start date integration	

Jim Markel	Allentown Yard and the new Intermodal terminal in Bethlehem, Pa	Monitor train traffic at the Eastern end of the Northern Region	
Dennis Bowman	Stationed in and around Roanoke, VA	Monitor traffic in all directions at the Roanoke Hump Yard; NS Headquarters to monitor problems at the system level	
John Yeager	Dispatching/Crew Callers Office in Dearborn, MI	Monitor conditions at all the terminals and yards near Detroit, MI; automotive traffic	

CSX SIP Team Surveillance

* - Indicates that Team member will conduct STB Condition audits

Name	Location	Reason	Contact Numbers
Chris Clune - Team Leader	Atlanta	Oversee Team members and be available to assist them; relay flare items to FRA Headquarters	(404) 562-3800
*Ray Cicchino (OP)	Jacksonville, FL (CSX)	Dufford Dispatching Office; monitor train traffic, Crew Dispatching Center and Customer Service Center to monitor operations via spot checks	
*Roger Huff (Hazmat)	Louisville, Ky (CSX)	Hazmat Monitoring Classification Yard; this yard will be building trains for and receiving trains from Conrail system. These will be spot checks during regular inspections.	
Larry Norris (MPE)	Nashville, TN (CSX)	MP&E Monitoring Classification Yard; this yard will be building trains for and receiving trains from Conrail system. These will be spot checks during regular inspections.	

Bob Buckner (OP)	Norfolk Southern Somerset, KY Knoxville, TN	Kentucky Division Dispatcher Office; monitor train traffic and crew distribution; Tennessee Division Dispatchers Office Spot checking begins June 3	
*Doug McNeal (OP)	Norfolk Southern Atlanta, Georgia Greenville, South Carolina	Central Crew Dispatching Office, monitor train traffic and crew distribution. Georgia Division Train Dispatching Office and Piedmont Division Dispatcher Office; monitor train traffic and crew distribution. Spot check beginning June 3	
*John Wyker (OP)	Norfolk Southern and CSX	Spot checks operations in North and South Carolina	
*Lino Penas (MP&E)	Knoxville, TN	Classification Yard spot checked to determine how traffic is moving and no congestion	
*Howard Foster (MP&E)	Spencer, NC	Classification Yard spot checked to determine how traffic is moving and no congestion	

CSAO SIP Team Surveillance

* - Indicates that Team member will conduct STB Condition audits
 ** - Dates may vary depending upon results of May 17-21

Name	Location	Reason	Contact Numbers
Brian Hontz- Team Leader	Newark & Philadelphia, May 17-21 Mt. Laurel, June 1-5 Philly area, July 5-11	Oversee Team members and be available to assist them; relay flare items to FRA Headquarters	(617)494-2302
*Lou Satter and John Reynolds	Key locations in the Philadelphia area May 17-21 June 1-5 July 5-11**	Operating Practices and STB Conditions; S&TC and STB Conditions	

Ron Marx and Ron Farrell	Newark area May 17-21 June 1-5** July 5-11**	Track and STB Conditions	
Denny Lis	Detroit area: May 17 - 21, June 1 - 5 & July 5-11**	MP&E and STB Conditions	
*Joe Connelly	Detroit area: May 17 - 21, June 1 - 5 & July 5-11**	Hazmat and STB Conditions	
*John Yeager	Dearborn Dispatch Center: May 17-21 June 1-5 July 5-11**	Obtain preliminary info. Monitor train crew qualification	
Dan Buckley	Philadelphia area May 17-21 June 1-5 July 5-11**	MP&E and STB Conditions	
Gary Osborne Fran Walker	N/A May 17-21 June 1-5 July 5-11**	CSX SACP Philadelphia area	
Mike Ziolkowski	Buffalo area, May 17-21 Newark area, June 1-5 Newark area, July 5-11**	Hazmat and STB Conditions	
Dan Knot	Newark area July 5-11**	Operating Practices and STB Conditions	
Bill Killian	Newark area July 5-11**	Operating Practices and STB Conditions	
Jim McDermott	Newark area July 5-11**	Operating Practices and STB Conditions	
Scott Beckett	Dearborn Dispatch Center July 5-11**	Monitor train crew qualifications	
Rich Rusnak	Dearborn Dispatch Center July 5-11**	Monitor train crew qualifications	

Name	Title	Railroad	
H.R. “Skip” Elliott	Director, HM	CSX	
Dave Schoendorfer	Manager, HM	NS	
Pat Student	Manager, Technical Research	UP	
Dave Edington	Manager, HM	BNSF	
Mike Carpenter	Environmental Engineer	KCS	
Jean Oulette	Director, Dangerous Goods	CN	
Stan Bradbury	Manager, Regulatory Affairs	CP	
Allen Richter	Manager, Field Services, HM	CSAO	

Railroad Contacts Customer Service

Name	Title	Railroad	
Chuck Chilcote	Director, Billing Services	UP	
Gene Dorminey	Director, Customer Service	NS	
Carl Yount	Asst. General Manager, CSC	CSX	
Ron Zink	Manager, Customer Service	BNSF	

Major Indicators of Potential Safety/Traffic Problems

Several items will provide initial indications of a potential safety/traffic related problem with the acquisition. These include:

- Increased through traffic at major gateways (i.e. Chicago, St. Louis, New Orleans, Memphis and Kansas City).
- Increase in cars stalled or stranded in the Conrail Shared Assets Operations (CSAO)
- Increase in reroute orders for railcars.
- Increase in train detour orders.
- Increased in equipment rejections at various yards in major gateways.

Interlining Carrier Plans for Information Accuracy and Problem Identification

The acquisition provides areas of concern with regard to interchanging because of the newly acquired

territories and the information technology (IT) flow requirements. The following is a synopsis of the activities being conducted by the major interline carriers to identify and/or correct car service and information related problems.

UP - UP will monitor shipping papers both forwarded to and received from the acquiring roads to ensure information consistency and compliance. Ten days prior to the acquisition, UP will begin changing transportation plans for all cars on their system destined for CSX or NS based upon the business plan. UP's modification effort will start from California and work east. It is anticipated to take 6-8 days for completion. New cars offered for transportation will be automatically updated by the UP computer system to provide a transportation plan based upon the business plan. Additionally, UP is working with shippers to update systems to forward correct information beginning D1. UP has a monitoring team established to monitor internal flows and identify potential problems.

BNSF - BNSF is scheduled to conduct an audit of shipping papers during the week of June 7th. The audit will verify accuracy of shipping paper information collected during the previous week. FRA personnel have been invited and are currently scheduled to attend. Much like the UP, BNSF's audit should ensure information consistency and compliance.

Computer/Billing Problems

With the acquisition of the railroads one significant area of concern is the proper separation and integration of the Conrail computer system into the systems of the acquiring roads. One of the main concerns stems from the potential inability to access hazardous materials information. This inability may result in movement delays, increased problems at accident/incident sites, and noncompliance with Federal regulations. The table below discusses various issues of concern that may potentially result from the integration and the actions taken to prevent problems.

Issue	NS	CSX	Shared Assets
New HM Billing	Processed by current NS system	Processed by current CSX system	Processed by acquiring road with information access (non-revenue) to the CSAO

Existing car on CR	Entered into system based on the present business plan and modified with new routes and rates. NS has been conducting testing of an automated system that will update waybills for cars on Conrail property that will be acquired based on the current business plan. The system will also review hazardous materials accuracy against the NS hazardous materials editing program. To date they have been experiencing 2-3% daily errors with the automated conversion program. Testing includes full route testing with reverse movements being the key issue. On D1 the Conrail computer system will be taken down to roll Conrail data from a test environment into a revenue environment. NS staff expects a 17 hour downtime period to accomplish total conversion.	Entered into system based on the present business plan and modified with new routes and rate system. CSX has been conducting testing of an automated system that will update waybills for cars on Conrail property that will be acquired based on the current business plan. CSX has developed new information flows to verify accuracy of information. On D1 the Conrail computer system will be taken down to roll Conrail data from a test environment into a revenue environment. CSX staff expects an 8-24 hour downtime period to accomplish total conversion.	CSAO cars will continue to remain in Conrail system with full information available to CSAO personnel.
Lost Cars on system	Handled manually by action team in Atlanta and Pittsburgh	Handled manually by action team in Pittsburgh	Handled by Pittsburgh team with access to all information
Inbound Cars for Interchange from UP/BNSF	Handled per current process without CR in route. AAR will reject all bills with CR in route.	Handled per current process without CR in route. AAR will reject bills with CR in route	Non-revenue information available to CSAO personnel
No Bill	Handled manually by action team in Pittsburgh and Atlanta	Handled manually by action team in Pittsburgh	Handled manually by CSAO personnel in Pittsburgh

One additional problem noted was the integration of Conrail's RMS (yard inventory and event recording) system into the acquiring roads' systems. This is of special concern since the lack of yard

inventory information and event information may adversely affect the revenue system, thereby, having a domino 'slow down' effect on the availability of hazardous materials information.

Event reporting, also referred to as the car, locomotive and train movement information (e.g. interchange received, departed yard, arrived yard, etc...), has a direct impact on the accounting system because of its direct relation to such items as demurrage and its effect on the transportation plan. To resolve this problem both roads have taken steps to incorporate event information into their systems.

The current Conrail TRIMS (RMS system) system is divided into three partitions (NS, CSX, and CSAO) based on the acquisition plan. NS has access to all information of yard inventory and movement information for railcars on Conrail property to be acquired. Thirty days after D1 NS will roll out TYES (Thoroughbred Yard Enterprise System), a train movement reporting and station inventory system, on the NS system with a 7-8 month completion date. TYES will incorporate all information formerly in TRIMS for the acquired territory and equipment.

CSX, like NS, has access to all information available on TRIMS. They currently receive all information concerning event recording with the exception of yard inventory information (this information is available through TRIMS). Events are entered into CSX's system as they are received from TRIMS and the information is available to anyone with access to either system. CSX plans on beginning the integration of acquired territories into CSX's system starting September, 1999 with a slightly longer time frame than NS.

Time Sensitive Shipment Tracking

Certain Materials require monitoring during transit to ensure timely handling of the shipment. This is primarily due to the reactive nature of the material and the need for stabilization. For example, 49 CFR 173.314 (g) requires tracking of shipments of Hydrogen Chloride, refrigerated liquid and vinyl fluoride. 49 CFR 173.319(a)(3) requires the tracking of flammable cryogenic liquids in DOT 113 Class tank cars. In addition, other materials are monitored as a requirement of the shipper. This is primarily for materials shipped in a monomer state that rely on stabilization or inhibition to prevent a chemical reaction. Particularly during previous mergers, the necessity to track time sensitive shipments has been a prominent issue since allowing these packages to remain in rail transportation after the material has exceeded its critical date poses an unacceptable risk. The various processes of the acquiring roads are outlined below:

NS: Norfolk Southern currently has a tracking program in effect that tracks four time sensitive materials. Three of the materials, hydrogen chloride (4920504), vinyl fluoride (4905793), and ethylene, refrigerated liquid (4905735) are tracked with an 18-day flagging mechanism and one material styrene monomer (4907235 and 4907265) are tracked with a 28-day flagging mechanism. In addition, NS provides tracking services to its shippers. This enables the shippers to perform tracking of time sensitive materials from their plants without assistance from NS.

CSX: CSX Transportation uses two processes to monitor time sensitive shipments. Several

materials are currently tracked for time requirements. These materials include those required by regulation. In addition, CSX, like NS, provides shippers with the ability to track their shipments. CS is currently contacting each shipper of time sensitive materials on their lines (including acquired territories) to ensure they are familiar with tracking procedures, have access to tracking software, and have the appropriate critical phone numbers in the event of an emergency.

Proposed Performance/Safety Monitoring

In the safety assessment of past mega-mergers, FRA has identified that a drop-off in train performance, locomotive availability and/or resulting line or yard congestion may precede, trigger and/or parallel the occurrence of significant safety related incidents, i.e. operating rules violations, crew fatigue, collisions, derailments, injuries and/or fatalities. In order to better understand the influence of these factors on the integration of the Conrail acquisition, FRA may request that NS, CSX and Conrail (includes future CSAO) provide certain operations performance data. This may include already collected operations performance data as baseline information, as well as new performance data as identified by FRA who will be analyzing the data.

Initial recommendations for:

FRA Safety/Service Data Collection

1) Safety Data Set*

2) Safety Related Operations Data Set*

* FRA is currently working with the railroads (CSX, NS, CR and CSAO) in consultation with the STB to finalize the scope of required data to be collected and/or reported; the two data sets identified above are preliminary only at this time.